

Draft of the Gambling Control Board Meeting Minutes

May 6, 2009

45 Commerce Drive, Augusta, Maine

Meeting opened at 12:30 p.m..

Board members present: Cushing Samp, Richard Arnold and
Acting Chair Peter Danton

Excused members: George McHale and Larry Hall

Staff members present: Exec.Director Robert Welch, Auditor Scott Woods, Det. Don
Armstrong and Secretary Kathy Chamberlain.

Legal counsel: Lara Nomani, Ass't A.G.

Minutes from 3/25/2009 meeting

Motion to accept: Cushing Samp moved to accept the minutes

Seconded: Dick Arnold

Vote: 3-0

Executive Director's Report – Robert Welch

Bangor P.D. Calls for March and April – Bangor Police Department responded to the facility seven times during the month of March and eleven times during the month of April. The facility had headcounts of 106,213 and 107,739, for March and April.

RFP Update: Currently McDonald- Page holds a contract which expires in June. The RFP went out for advertisement, was published in the papers and closed on 4/30/09. The Unit is now in the process of scoring the two bids that have been received.

Legislative Update: The Appropriations Committee questioned the \$50,000 for Responsible Gaming that had been set aside for two years and never used. They voted to take it away from us for two years and then voted to give the Office of Substance Abuse (OSA) \$20,000. OSA will craft a study to see why no one has used the funds. Perhaps when the money is restored, they might have a different program in place.

Mr. Welch has five hearings to attend next Monday, 5/11/2009 and provided a brief review of the following pending bills:

LD#533- a concept plan for a state run casino. Mr. Welch stated that the Department testified against the bill as it proposed to expand gambling in the state absent a public referendum.

LD #833- addresses the Responsible Gaming funds which were transferred to OSA.

LD#924- addresses Promotional Credits. The Department testified neither for nor against this bill.

LD# 1329 - the Oxford County Casino. The Department testified in opposition to this bill.

LD#1379 – would allow the Passamadquoddys to have slots machines for play on their high stakes beano weekends. Because these machines would require monitoring 24/7 by Scientific Games, a fiscal note of \$101,626.00 was attached.

LD#1458 – Trifecta Bill – allowing a combination of the above LD#533, 1329 and 1379.

Licensing Update – All companies have now submitted applications for renewal licensure and will be investigated.

2-1-1- Numbers – Since October, there has been a contract with the 211 folks to track calls on Gaming issues. People call mostly to get the lottery numbers on Saturday nights.

Financial Update – Scott Woods

In April, the facility was closed on Easter; therefore, there were only 30 days for reporting purposes. Mr. Woods reported that scholarship money received from the facility revenue goes to undergraduates, not graduates. He additionally reported that he studied the impact should LD #1370 pass.

State Police Activity Update – Det. Don Armstrong

59 applications have been processed since our March meeting; 46 applications are still pending. From 4/21 - 4/24, Det. Armstrong went to Las Vegas to conduct interviews with four new key executives: 2 from I.G.T. and 2 from Aristocrat. Several thefts have been reported at the facility and investigated.

Unfinished Business

A. Fine/Violations Sub-Committee Report

Motion made by Cushing Samp to establish a Complaint Committee to handle all complaints made with respect to potential violations of Board statutes and regulations. AAG Lara Nomani advised the Board of the complaint process presently used by the Office of Licensing and Registration. She recommended that the Board consider adoption of that general process with respect to complaints alleging a potential violation of the statutes and rules the Board is required to enforce. She advised that the OLR process will need to be tailored to fit the requirements of Title 8, but offered it as a general model to consider. The model would establish a complaint committee, comprising of the Executive Director, the AAG assigned to the Gambling Control Board and a representative of State Police.

Seconded by Dick Arnold

Vote: 3-0

New Business

Steve Lambert, general manager at Hollywood Slots, addressed the Board with respect to his request to change their Internal Controls by allowing the Slot Tech and Security to have access to the Cash box compartment door key. He advised that the present practice ties up three people to do this task. This would be a dual access key for the Slot Tech and Security, eliminating the need for a Slot Supervisor having to be part of things and reducing three people needed down to two. This is under Internal Controls Rules 5.3.J.2.

Hollywood Slots is required on July 1st each year to provide a list of authorized key holders. AAG Lara Nomani advised that Chapter 5 of the rules requires that changes to the Operator's internal procedures and controls be submitted in writing and in a specified format.

Motion by Cushing Samp to require that Hollywood Slots submit in written form their request, so the Board has a chance to review it to see if it conforms to the Statutes and Rules.

Seconded by Dick Arnold

Vote: 3-0

Motion by Cushing Samp to table this item until the next meeting

Seconded by Dick Arnold

Vote: 3-0

Staff and Responsibilities Review

Mr. Welch provided both a diagram depicting the various positions in the Gambling Control Unit as well as a document showing the tasks under each position of Executive Director, Public Safety Inspectors, State Police Detective, Auditor II and Identification Specialist II. The Office Associate II position splits her time between Gambling Control Unit and the Commissioner's office and is on the Commissioner's payroll, so not shown here. AAG Nomani offered that the page captioned "Executive Director" contained a listing of the statutory responsibilities for the Board, some of which had been delegated to the Executive Director.

The State has a \$563 million shortfall and it's been proposed that the state have shutdown days during the next two fiscal years 2010-2012, starting in July.

Public Comments - None

Next meeting is 6/3/2009

Motion to adjourn: Cushing Samp

Second: Peter Danton

Vote 3-0

Respectfully submitted,

Kathy Chamberlain, secretary